



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JONATHAN E. FREEDMAN
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May 24, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

A handwritten signature in black ink, appearing to be "Jonathan E. Fielding", written over the printed name in the "FROM:" line.

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND
THREE CONTRACTS FOR THE PROVISION OF DRUG/MEDI-CAL
SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, and/or provide an internal reallocation of funds between budgets pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute the following DMC amendments for the term July 1, 2011 through June 30, 2014; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds:

- 1) Agreement Number PH-001874-1 with Addiction Research and Treatment, Inc. to increase the annual funding by \$385,000, increasing the annual obligation from \$4,822,972 to \$5,207,972, and the total maximum obligation from \$14,468,916 to \$15,623,916, to provide additional Narcotic Treatment Program Services;

- 2) Agreement Number PH-001776-2 with Ultimate Lifestyle Center to increase the annual funding by \$306,285, increasing annual obligation from \$605,984 to \$912,269, and the total maximum obligation from \$1,817,952 to \$2,736,807 to provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services; and
- 3) Agreement Number PH-001854-1 with Tarzana Treatment Center to reallocate funds internally from Perinatal Day Care Habilitative Services and Narcotic Treatment Program Services to provide additional Outpatient Drug Free Services based on the needs of the service area. This internal reallocation reflects a decrease in the amount of \$85,000, for Perinatal Day Care Habilitative Services and \$70,000, for Narcotic Treatment Program Services and an increase for Outpatient Drug Free Services in the amount of \$155,000.

County Counsel has reviewed and approved the amendments as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:nb
#02270

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors